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SUMMARY RECORD OF THE 680th MEETING

Held at Headquarters, New York,
on Wednesday, 14 June 2000, at 10 a.m.

Chairman: Mr. Jeffrey CHAN (Singapore)

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The meeting was called to order at 10.05 a.m.

DRAFT CONVENTION ON ASSIGNMENT OF RECEIVABLES (continued) (A/CN.9/466, 470, 472 and Add.1-4; A/CN.9/XXXIII/CRP.4)

1. The CHAIRMAN invited the Commission to resume discussion of the United States proposal regarding the scope of the draft Convention (A/CN.9/XXXIII/CRP.4).

2. Mr. MORÁN BOVIO (Spain) said that he fully supported the substance of the proposal but that it might be best to move the list of items which were not receivables under the draft Convention to article 4.

3. Mr. IKEDA (Japan) said that, since adoption of the proposed amendments to article 6 and article 4 would require the deletion of article 5, the proposal should be considered as a package. The great advantage of the proposal was that it would obviate the need to use the term "trade receivable"; article 73 of the analytical commentary to the draft Convention (A/CN.9/470) noted that the definition of "trade receivable" was similar but not identical to the use of the term in the Ottawa Convention. Moreover, although paragraph 53 of the commentary referred to "the well-known notion of "trade receivable"", that term was not well known in Japan and, in fact, had not been used in the Working Group until the most recent session.

4. It was not the United States delegation but the European Banking Federation which had first proposed that the draft Convention should include a list of items not considered receivables for the purposes of that instrument. At the time, the Working Group had objected to the idea on the grounds, inter alia, that such a list could not be exhaustive. The proposal currently under consideration should therefore be subjected to close scrutiny.

5. Mr. BRINK (Observer for the European Federation of National Factoring Associations (EUROPAFACTORING)) said it was his understanding that in the United States proposal the list of items to be considered receivables under the draft Convention was intended to be indicative rather than inclusive but that the list of items not considered receivables was exhaustive. He requested clarification of the matter.

6. Mr. SMITH (United States of America) said that, on the contrary, the items defined as receivables in the first part of his delegation's proposal were intended to be the only ones covered by the draft Convention; the list was very broad and covered virtually all receivables to which that instrument would normally apply. The list of items not considered receivables applied directly to exclusions from the former list.

7. The CHAIRMAN pointed out that the proposal did not allow for the possibility of receivables which did not currently exist but which might one day need be covered by the draft Convention.

8. Mr. SMITH (United States of America) said that, as the Commission had no way of knowing what such items might be, it could not predict what rules might

apply to them. For the foreseeable future, receivables arising out of the sale or lease of goods, the provision of services, loan monies and the licensing of information accounted for virtually all receivables qualifying for cross-border financing.

9. Mr. FRANKEN (Germany) said that, since governments had had over five months in which to consider the draft Convention and to submit comments thereon, it was somewhat unfair of the United States delegation to present such a comprehensive proposal at a very late date.

10. Moreover, the proposal had fundamental weaknesses; the list of items considered receivables for the purposes of the draft Convention was intended to be exhaustive but might contain loopholes. It would therefore require extremely close study in order to determine whether its definition was broad enough to cover, inter alia, receivables stemming from dividends, interest payments and interest paid on the basis of security loans. His own delegation considered that, as a matter of principle, the draft Convention should begin with a more general definition of receivables before listing exclusions.

11. The Commission had before it another proposal, that of the European Banking Federation, which had been submitted in a timely fashion and was in line with the Working Group's most recent deliberations. Only if the Federation's text proved unacceptable should the possibility of discussing the United States proposal be considered.

12. Mr. TELARANTA (Finland) said that he agreed with the representative of Germany.

13. Mr. WHITELEY (United Kingdom) said that he shared the German delegation's concern regarding the timing of the proposal and the need to consider its impact. However, the United States representative had explained that the proposal had arisen from issues raised by United States financial institutions; such consultation was important, and the United States financial services industry had an impact that extended beyond its national territory. Moreover, the proposal addressed issues that had not been fully covered in that of the European Banking Federation.

14. The draft Convention could be amended in several ways. In addition to the issues of scope raised in the United States proposal, the Commission might wish to consider changing the rules governing the priority of interests in land, bank accounts and securities held in systems such as Euroclear; his own delegation would prefer in such cases to give priority to the location of the land or the account. He also shared the United States delegation's concern at the potential impact of the draft Convention on netting agreements, where the mandatory rules applied outside the Convention would mean that an assignment in breach of a contractual prohibition of assignment was effective. However, article 5, variants A and B, of the existing draft also addressed those issues. Thus, his delegation supported the general principles embodied in the new proposal but would like more time to review it.

15. Mr. AKAM AKAM (Cameroon) said that he shared the concerns expressed by the representative of Germany, particularly as some of his own delegation's

proposals had been rejected on the grounds that they had been submitted too late in the discussion process. He was also opposed to listing the receivables covered by the draft Convention; it would be better to define those receivables in general terms and to list only the exclusions. Further details could be provided in a set of legislative guidelines, as in the case of other UNCITRAL conventions.

16. Mr. STOUFFLET (France) said that adoption of the new proposal would radically change the very purpose of the draft Convention The Working Group had decided to give that instrument as broad a scope as possible. At a later stage, it had felt the need to ensure that application of the draft Convention and, in particular, its provisions on anti-assignment clauses would not disrupt the function of certain collective netting regulatory mechanisms and had therefore made a distinction between trade receivables and financial receivables; the former would not be excluded from the scope of the instrument but would be covered by a special regime.

17. Suddenly, the United States delegation had proposed a long list of receivables to be covered or excluded. While he was not in a position to determine whether that list was well-founded or not, he feared that receivables which might come into being in the future would not be covered. Furthermore, delegations would need at least six months or a year to consult their national specialists regarding what would be, in essence, a new instrument, the very name of which would have to be changed if the United States proposal were adopted.

18. France's banking professionals had initially been reluctant to support the draft Convention, not because of its provisions but because they would have preferred to leave the industry to regulate itself without interference from international bodies. With some difficulty, they had been induced to support the new instrument, but he did not know whether they would agree to the changes contained in the United States proposal.

19. Mr. MORÁN BOVIO (Spain) pointed out that the Commission was not a diplomatic body whose members were obliged to seek and follow instructions from their Governments. The issue of timeliness was irrelevant and public criticism of the United States delegation on those grounds inappropriate. The Commission should focus on the substance of the proposal.

20. Mr. GHAZIZADEH (Islamic Republic of Iran) expressed general support for the United States proposal, which he considered helpful, but sought clarification about items and instruments which were not included in the list and might need to be added in the future.

21. Mr. DOYLE (Observer for Ireland) expressed surprise at the vehemence of the attack on the United States proposal on the grounds of its timing. It had been common in the Working Group for delegations to submit draft proposals at short notice. It was quite unrealistic to contemplate a further six months of discussion. Moreover, the elements of the proposal were not new: it was a response to problems that had been raised at the Working Group - and on which the Commission had invited the Working Group's views - and had remained unresolved. The representative of France was correct in stating that the draft Convention contained definitions of the word "receivable"; but they had not met

with universal satisfaction. Those whom he had consulted in Ireland considered the scope of the definition to be too broad and the exclusions too few. The proposal therefore deserved serious consideration. He himself supported it, on the whole, although he would wish to make detailed comments on the merits of individual items. He also favoured allocating the first part to draft article 6 and the second to draft article 4.

22. Mr. FERRARI (Italy) agreed that the proposal should be considered on its merits; it was, after all, the product of consultations with the banking industry. Equally, however, in common with others, his delegation felt obliged to solicit the reaction of professionals in his own country before making any final decision; and he would dismiss out of hand some of the proposal's provisions.

23. Mr. DUCAROIR (Observer for the European Banking Federation) fully acknowledged the importance for delegations of consulting banking professionals in their own countries. He noted, however, that his Federation's proposal had benefited from consultations with banking representatives not only from Europe but also from the United States and other countries, as the endorsement by the Financial Markets Lawyers Group contained in document A/CN.9/472/Add.1 showed. The International Swaps and Derivatives Association had also expressed support. In other words, his Federation had ensured broad acceptance of its ideas before submitting its proposal.

24. Mr. KUHN (Observer for Switzerland) said that the Commission should disregard the timeliness or otherwise of the proposal and concentrate on its substance, which raised valid concerns. He had doubts about some aspects of the proposal, but the Commission could afford to devote some time to discussing it.

25. Mr. Al-ZAID (Observer for Kuwait) expressed broad support for the proposal, particularly because its scope extended beyond banking to industrial and intellectual property. It was not perfect, however. He feared that its adoption might require an amendment of draft article 5 and further attention from the Working Group, if the draft Convention was to be universally acceptable. Delegations should, therefore, be given the opportunity to engage in consultations in their home countries.

26. Mr. PICKEL (Observer for the International Swaps and Derivatives Association) emphasized the importance of ensuring that the scope of the draft Convention was satisfactory. His Association had expressed a written preference for variant B, as amended by the European Banking Federation. Variants A and B both had flaws: in particular, they made a distinction between trade and financial receivables, which would undoubtedly give rise to problems of definition, in addition to the weaknesses noted by the representative of Japan. His Association favoured, however, the exclusion approach, even if the broad definition of the word "receivable" was adopted: the banks in Europe, which were among the Association's members in 37 countries, had been active in developing the standards whereby contracts were concluded and they were satisfied with the way they functioned. They would not welcome intervention from the draft Convention. For that reason, he was in favour of providing for the exclusion of financial netting contracts.

27. Mr. SALINGER (Observer for Factors Chain International) said that, if delegations consulted factors and invoice discounters as well as banking and financial practitioners, and if they envisaged the draft Convention lasting more than a few years, they would realize that any inclusive list would cause severe difficulties. Some kinds of receivable existed that even three or four years previously would not have been thought suitable for factoring. A similar process was bound to occur over the next few years, with new kinds of receivable emerging. A list of exclusions, on the other hand, was acceptable, for example to meet the concerns of those who felt that draft article 11 would destroy existing arrangements for swaps and derivatives.

28. Ms. WALSH (Observer for Canada) said that, as previously stated, the issues addressed by the proposal had first been brought before the Working Group, which had not been able to resolve the problems satisfactorily. As a result, it had fallen to the full Commission to consider the matter. She could not accept all the details relating to exclusion and inclusion, but she believed that the proposal should be addressed on its merits.

29. Ms. MANGKLATAKUL (Thailand) said that, although the lists would be useful for her country, a relative newcomer to international banking, the scope and applicability of the draft Convention should be as broad as possible. There was a danger that, while countries were preparing to accede, changes might take place that would invalidate the lists.

30. Ms. POSTELNICESCU (Romania) concurred with those who had pointed to the dangers of limitations; there was no knowing what receivables might emerge over the next few years. On the other hand, she welcomed the detail in which the proposal had been drafted, as a result of which it would be easier to enforce the draft Convention.

31. The CHAIRMAN noted that the proposal enjoyed general support, although some feared that the Commission's work would be hampered by the need for delegations to engage in consultations. The main issue was whether the exhaustive list of receivables contained in the first part was desirable. Many speakers had also expressed the view that more time was needed to consider the exclusion list. He suggested that the meeting should be suspended while informal consultations took place.

The meeting was suspended at 11.15 a.m. and resumed at 11.50 a.m.

32. Mr. SMITH (United States of America) suggested that the Commission should first consider the proposed list of exclusions from the draft Convention, in article 6 (x) (ii) of his delegation's proposal in document A/CN.9/XXXIII/CRP.4. It could then look at rights to payment that would be covered by the draft Convention, and determine whether there could be a general formulation of those rights.

33. His delegation proposed that rights to payment arising from transactions on a regulated futures exchange should be excluded from the Convention, because rights to payment arising from the sale of crops or other farm products and other commodities were often traded on exchanges that were regulated by local governments through special brokers licensed by local governments. If the draft

Convention were to apply to those rights to payment, it would be possible for someone who traded a commodity future and had a right to payment through a broker to assign that right so that the broker would have to make the payment to the assignee in order to receive a discharge; that would create a choice of law situation in respect of the assignor's jurisdiction and would eliminate the broker's right of set-off under other laws, and might create a situation in which an assignment was effective notwithstanding an agreement between the broker and the assignor that the assignor would not assign the right to payment. His delegation therefore felt that the draft Convention rules might not be well suited to that highly regulated industry, which involved sophisticated parties and in which there was no need for the financing that the draft Convention would permit.

34. The CHAIRMAN asked whether the exclusion was meant to apply only to regulated commodities and futures exchanges, or would apply to all future exchanges.

35. Mr. SMITH (United States of America) said that his delegation had intended that the exclusion would apply only in situations where the exchange was regulated by exchange rules under government supervision. The idea was to distinguish between private party sales and sales between parties which were members of an exchange or had accounts with members of an exchange.

36. Mr. WHITELY (United Kingdom) said that his delegation believed that the exception should be extended to all exchanges, not just derivatives exchanges. There was a degree of consolidation in stock and futures exchanges and in some cases it might be impossible to distinguish between a derivatives exchange and a cash market. One justification for the exemption was that the rules of exchanges in many jurisdictions, including the United Kingdom, were given priority over other laws by specific statutory legislation; his delegation therefore felt that it would be inappropriate for the draft Convention to apply in those circumstances.

37. Mr. SMITH (United States of America) said that article 6 (x) (ii) (I) referred to securities sold on exchanges. The point made by the representative of the United Kingdom could be considered in the context of a more general formulation. His delegation would support such a formulation, covering the items on the list it had prepared, if that language achieved the same objective.

38. The CHAIRMAN suggested that the Commission should proceed to a general consideration of other items on the list of possible exclusions, and revert to each item later in order to give policy directions to the Working Group.

39. Mr. SMITH (United States of America) said that the items in article 6 (x) (ii) (B) (rights to payment arising from the sale, lease or loan of gold or other precious metals) and (H) (rights to payment arising from foreign exchange contracts) could be considered together, because gold and other precious metals were treated on exchanges very much like currency.

40. Mr. SCHNEIDER (Germany) said that trading in gold and other precious metals was largely covered by the reference to regulated futures exchanges. Item (B) might not be necessary.

41. Mr. SMITH (United States of America) agreed that there was an overlap between (A) and (B). However, that overlap existed only to the extent that precious metals were traded on a regulated exchange. In the precious metals market, private parties often traded in precious metals and foreign exchange without participating in a regulated exchange, often through banks or other intermediaries under industry netting agreements. Even if most foreign exchange and precious metals transactions were covered under the exclusions relating to regulated futures exchanges and financial netting agreements, there was always a possibility of private parties trading without the use of netting agreements, where an exception would be in order.

42. Mr. SCHNEIDER (Germany) said that he had difficulty with the idea of excluding private transactions in gold and precious metals, such as professional trading in gold for jewellery. His delegation felt that it would be sufficient to refer to regulated exchange trading, which would include foreign exchange, gold and precious metals.

43. Mr. WHITELY (United Kingdom) said that, in some jurisdictions, the government controlled transfers of currency, and those controls could include controls on the transfer of precious metals either within the jurisdiction or form the territory of the jurisdiction to off-shore parties. His delegation believed that, if the draft Convention was to retain its appeal, an exception might be appropriate. His Government had specific concerns about gold held by the central bank, whether on an allocated or an unallocated basis; it would not want the Bank of England to be required to determine priority rules for gold in accordance with an offshore jurisdiction if the assignor were outside the United Kingdom.

44. Mr. STOUFFLET (France) said that his delegation agreed with the delegation of Germany that it would not be wise to decide that a receivable was excluded from the scope of the draft Convention simply because of the nature of the object which gave rise to the receivable; it was the method of settlement which justified an exclusion. In the case of gold, either the transaction was made on a regulated market, in which case the exception in (A) was justified, or the operation was part of a netting agreement between the buyer and the seller, in which case the exception in (C) could apply. However, as had been pointed out, gold could also be sold in an isolated operation, as in the case of industrial gold; and there was no reason why the fact that a receivable derived from the sale of gold or other precious metals should be a ground for excluding it from the application of the draft Convention. Furthermore, it was not clear at what point a metal was no longer a precious metal.

45. Mr. SALINGER (Observer for Factors Chain International) said that he supported the view expressed by the representative of France. Moreover, gold, silver and precious metals were often the subject of factoring arrangements, for example in sales to jewellers, and it was the nature of the transaction rather than the nature of the underlying commodity that was important. There would also be complications with regard to alloys.

46. Mr. DOYLE (Observer for Ireland) said that he also supported the points made by the representative of France. Moreover, exception (B) could set back the Commission's work. He recalled that the Commission had started out with a

detailed list of exclusions and had taken a decision to limit exclusions to receivables of a domestic nature or receivables which were already sufficiently regulated. He did not feel that item (B) fell into either category, and was concerned that an exception of that nature might open the door to other equally detailed and specific exceptions, which would be contrary to the decision taken on the scope of the definition of a receivable.

47. Ms. CHUNG (Observer for the Republic of Korea) said that her delegation aligned itself with the comments made by the representative of France. The criterion for exclusions from the scope of the draft Convention should be whether there was a unique industrial practice, or payment technique, not the content of the transaction. The issue also arose in relation to payments under foreign exchange contracts.

48. Mr. SMITH (United States of America) said, with regard to exclusion (C) (rights to payment under a financial netting agreement), that a netting agreement represented an overall relationship between two parties which entered into numerous transactions and, when that relationship was terminated, combined all credits and debits to create one sum owed by one of the parties to the other party. Those contracts were made among sophisticated parties, using industry-tailored agreements designed to facilitate the many transactions between the two parties, and his delegation did not believe that all aspects of the draft Convention would be applicable to such transactions. It also had concerns about whether an assignment would be effective despite an anti-assignment clause, whether the rights of set-off between the two parties would be preserved, and how the debtor would achieve discharge; moreover, because securities or other rights to payment were often offered as collateral and held in specialized deposit or security acccunts, the choice of law rules might not be appropriate. His delegation therefore proposed that netting agreements should be excluded, since those transaction did not require the intervention of the Convention to make possible the extension of credit.

49. Ms. WALSH (Observer for Canada) asked whether the exclusion was intended to cover netting agreements or multilateral netting agreements in non-financial contracts such as netting agreements among airlines or in the farming business.

50. Mr. SMITH (United States of America) said that his delegation had felt that the exclusion should be limited to financial netting contracts; it had no particular view as to whether other netting contracts should be included.

51. Mr. SCHNEIDER (Germany) said that his delegation supported the idea behind the exclusion, and believed that multilateral netting agreements should be excluded. However, it was not clear whether exclusion (C) referred only to the type of receivables that existed after netting agreements were concluded or referred also to receivables which went into netting agreements.

52. Mr. DUCAROIR (Observer for the European Banking Federation) wondered whether exclusions (C) and (I) could be combined in a single provision. The practice of netting as covered in (C) was very often accessory to a financial contract, for example loans of securities or pensions based on securities, which came under paragraph (I), and also swaps and derivatives. The Federation

provided a list of such transactions in its own proposal, contained in document A/CN.9/472/Add.1, and attempted to define the term "financial contract".

53. Mr. DOYLE (Observer for Ireland) supported exclusion (C), the only problem being one of definition. As the United States delegation seemed to agree with the definitions provided by EBF in document A/CN.9/472/Add.1, perhaps that text could be the basis for drafting definitions of "financial contract" and "netting agreement".

54. Mr. PICKEL (Observer for the International Swaps and Derivatives Association) noted that definitions could be useful. He believed that the concept of a financial netting agreement covered transactions such as those carried out under the master agreement published by his organization. The representative of Germany had been correct in his comment that, under the relationship document, payments flowed back and forth between the parties in various transactions over time and were in that sense receivables from one party to the other. They might be subject to netting on a payment basis but, once that relationship was terminated, a single sum was determined as owing from one party to the other, which according to his organization's contract was assignable by the party who was entitled to receive that payment as security or otherwise.

55. Mr. WHITELEY (United Kingdom) supported the exclusion.

56. Mr. DESCHAMPS (Observer for Canada) said that the Commission should consider whether the exclusion or special treatment of netting agreements should include netting agreements in non-financial contracts. It had not yet been decided whether the protection should be obtained through complete exclusion or through variant B.

57. Exclusion (C) referred only to netting agreements relating to financial contracts. The German delegation had raised the policy issue of protection for netting agreements in financial contracts but not in other kinds of contracts. However, from a policy standpoint, business concerns such as airlines would also be justified in requesting similar protection, and then the text would exclude a number of trade receivables that the Commission would not necessarily want to exclude. As a tentative solution, he would propose that the matter be dealt with in article 5, concerning anti-assignment clauses, preferably in variant B.

58. Mr. BAZINAS (Secretary of the Working Group on International Contract Practices) said that the Commission might wish to decide whether netting arrangements in general should be treated through an article 11 and 12 approach. Alternatively, netting arrangements in financial contracts could be treated through an article 4 approach, meaning total exclusion from the draft Convention, while netting arrangements in other contracts could be dealt with by an article 11 and 12 exclusion.

59. Mr. SMITH (United States of America) said that there was no reason why the Convention in its entirety should not apply to the payment owed by one party to the other, once the relationship was terminated and the debits and credits were combined to determine the single sum owing. If non-financial netting contracts

were to be generally excluded, as well as financial netting contracts, in both cases the so-called "close-out payment" should be covered by the Convention.

60. The exclusion of netting contracts, whether financial or non-financial, from articles 11 and 12 only, did not seem likely to work. The industry experts consulted by his delegation had explained that, if the assignment between the assignor and the assignee was effective under national law despite the anti-assignment clause, and there was a breach of contract, the debtor might lose the mutuality that was necessary for preserving its right of set-off for transactions that were currently occurring or would shortly occur under their master contracts. For that reason, prior to close-out, the draft Convention should not apply to debits and credits between the parties; upon close-out, it would apply to the single sum owed by one party to the other.

61. Mr. BAZINAS (Secretary of the Working Group on International Contract Practices), pointed out that the difficulty just mentioned by the United States representative concerning the lack of protection for the parties to a netting agreement would also arise if the Commission adopted an article 4 approach. Whether the Commission adopted an article 4 approach, or an exclusion from the assignment clause provisions of articles 11 and 12, national law would apply in both cases. The draft Convention could do nothing to protect the parties to the netting agreement against any risk involved. However, those parties could protect themselves through their own mechanisms and choice of laws and other appropriate solutions under their contractual arrangements.

62. Mr. MORÁN BOVIO (Spain) emphasized that the Commission did not seek to affect well-established general practices that were functioning well in the world at the present time. Yet the United States proposal would exclude some well-established practices, for example in the precious metals and other similar markets, because the subject of the transaction was being identified with the form of the transaction, to the extent that they could not be separated. It seemed that the same thing happened in markets that functioned under netting agreements. The Commission was not concerned with what happened during the netting itself, but could be interested in what happened with the resulting amount, and whether or not the draft Convention applied.

63. Exclusion under article 4 would be more appropriate in some cases, including in connection with netting agreements, in order to avoid distortion of well-established practices.

64. Mr. PICKEL (Observer for the International Swaps and Derivatives Association) said that an article 4 exclusion would take into account the fact that parties not only had master agreements in place to govern their relationships but typically would also have security arrangements, which would present a series of priority considerations. On behalf of its members, the International Swaps and Derivatives Association had obtained opinions in a number of jurisdictions on the enforceability of the master agreement as well as the enforceability and choice of law issues relating to collateral arrangements using documents sponsored by it. Its members had looked very carefully at a number of issues and had satisfied themselves as to their course of action.

65. The Commission should agree that certain types of netting agreements, for example between airlines, should be excluded. However, a general reference to netting agreements would mean that various transactions such as sales of goods or other things that should be governed by the draft Convention could be put under some kind of netting agreement and thus excluded from the draft Convention.

66. The financial netting agreement was an appropriate designation for the types of contract that should be excluded and he believed that an article 4 exclusion was more appropriate.

67. Mr. SCHNEIDER (Germany) said that there were different types of netting agreements, not only between banks and financial institutions, but also between other parties in industries such as industrial clearing, the transport industry, railways, and air traffic. The question was whether to have the same rule for all types of netting agreements or to have a separate rule only for financial institutions. In general, it would seem preferable to have the same rule. The main problem was anti-assignment clauses. In general he preferred an article 11 rather than an article 4 approach. However, a special case should be made for financial contracts, because other problems might arise in the case of financial contracts and netting agreements with receivables stemming from financial contracts. He therefore favoured an article 4 approach for financial contracts, and an article 11 approach for other types of netting agreement, such as industrial netting agreements.

68. Mr. DOYLE (Observer for Ireland) favoured an article 11 approach for netting agreements. There would thus be a very short list of article 4 exclusions which were outside the Convention altogether, and a rather longer and more elaborate list of provisions under article 11 which would be excluded from articles 11 and 12, but would enjoy the general benefits of the draft Convention. It had been his impression that netting agreements were to fall in the latter category.

The meeting rose at 1 p.m.